

**City Council Regular Session
March 13, 2023**

The City Council of the City of Elizabeth City met in regular session on Monday, March 13, 2023 in Council Chambers, located on the 2nd floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC.

MEMBERS PRESENT: Mayor E. Kirk Rivers
Mayor Pro Tem Kem Spence
Councilman Johnson Biggs
Councilman Joe Peel
Councilwoman Rose Whitehurst
Councilman Javis Gibbs
Councilwoman Katherine Felton
Councilwoman Barbara Baxter

MEMBERS ABSENT: Councilwoman Johnnie Walton

OTHERS PRESENT: City Manager Montre' Freeman
City Attorney Bill Morgan
Electric Department Donnell White
Interim Chief of Police J. Phillip Webster
Deputy Chief of Police James Avens
Human Resources Director Montique McClary
Fire Chief Chris Carver
ECDI Director Debbie Malenfant
Finance Director Alicia Steward
Assistant Finance Director Brian Lewis
Public Utilities Director Dwan Bell
Parks and Recreation Director Sean Clark
Grants Management Specialist Jon Hawley
IT Director Matthew Simpson
IT Systems Analyst Pedro Holley II
City Clerk April Onley

The City Council regular session was called to order by Mayor Kirk Rivers at 7:00 p.m. Mayor Rivers welcomed everyone to the meeting and recognized Councilman Gibbs to provide the invocation, after which Councilwoman Baxter led the Pledge of Allegiance.

1. Agenda Adjustments and Approval:

Mayor Rivers requested the Council's pleasure regarding approval of the prepared agenda.

Motion was made by Mayor Pro Tem Kem Spence to approve the agenda with any necessary adjustments.

Councilman Peel requested the Water / Sewer rate item be changed to Discussion / Consideration. He noted that he'd also like to add a Discussion / Consideration for the Food Bank, prior to the Manager's Report.

The motion was seconded by Councilman Johnson Biggs. Those voting in favor of the motion were: Biggs, Peel, Gibbs, Whitehurst, Spence, Felton, Baxter. Against: None. Motion carried.

2. Mayoral Recognition:

a. Employee Retirement – Dawn Garrett;

Mayor Rivers said it was always a great opportunity to see someone retire. He noted that Mrs. Garrett had served 13 chiefs over her tenure with the City. During her retirement ceremony, Chief Buffalo had been present to give her an award from the State. Chief Webster said that for more than 30 years, Dawn had been a fixture in the Chief's office. She had always supported the office of Chief of Police, and even delayed her retirement to ensure that the transition to the new interim chief was a smooth one. Mayor Rivers thanked Dawn for her service and

presented her with a mayoral certificate of recognition. Dawn thanked everyone and said she'd enjoyed the time she spent here, from 18 years of age until today at 52.

b. Corrina Ruffieux / Coast Guard Marathon Committee;

Mayor Rivers pointed out that on the weekend of the marathon, there was an unbelievable atmosphere in the city. He said he'd participated in the 5K run and found it heartwarming to see people of all ages cross the finish line. Even for those who could not physically run, accommodations were made so that they could participate in the race as well. He praised Corrina's work on the marathon and called the event "first class." He said he was already registered for the half-marathon next year. He presented the committee with a certificate in honor of their work. Corrina thanked the City and County for joining together to help hold the only Coast Guard marathon in the entire world. She noted that the event is international; the winner had come from Ireland to race. Mayor Rivers also presented Corrina with another certificate honoring her for everything she'd accomplished in Elizabeth City while in service as the Visit Elizabeth City Executive Director. Corinna said it had been an amazing nearly five years she'd been here and she couldn't wait to see what the City continued to do.

c. Living Our Best Life Social Club;

Mayor Rivers advised that a representative from the club was not yet present to receive the certificate, so he asked that the Council return to this item further in the meeting.

d. Department of the Month – IT;

Mayor Rivers stated that he asked a lot of the IT Department and they'd stepped up to the challenge with no complaints. He said the IT Department keeps our City connected in many ways, from building entry, to phones, to the police cars. Director Simpson thanked the Mayor and Council for their strong leadership. He noted he'd started out as a one-man department before PJ Holley came along and recently Alyssa Ford joined their team as they took on more responsibilities.

e. Department Head of the Month – Matthew Simpson;

Mayor Rivers presented Director Simpson with an individual certificate honoring him for his service. He stated that he was glad to have Matthew Simpson and his skillset as part of the City's team.

3. Comments from the Public:

Anthony Sawyer – 2715 West Main Street Ext. Elizabeth City, NC – Mr. Sawyer said he was present to show his appreciation to the Council, Mayor and Manager. He was used to a lot of fighting amongst the councilors and he did not see that with this group of people. He was proud of the work they were doing to move forward with the landlord and tenant issues. He'd run for the School Board the past year and although did not make it, learned a lot about what elected officials go through and the pressure that they are under trying to please everyone.

Liz Reasoner – 109 Tidewater Way, Elizabeth City, NC – Liz said she'd signed up to speak because she wanted to talk about the Food Bank and since it had been added to the agenda she would reserve her comments until then.

4. Consent Agenda:

Mayor Rivers read the Consent Agenda items into the record, as follows:

a. Consideration – Adopt Ordinance for Street Closing – Potato Festival;

**ORDINANCE #2023-03-01
AN ORDINANCE DECLARING A ROAD CLOSURE FOR THE ANNUAL NORTH
CAROLINA POTATO FESTIVAL**

WHEREAS, the City Council of Elizabeth City acknowledges a long tradition of providing an annual springtime festival for the pleasure of its citizens; and

WHEREAS, the City Council of Elizabeth City acknowledges its citizens realize a

financial benefit from holding the annual North Carolina Potato Festival event; and

WHEREAS, the City Council of Elizabeth City acknowledges the festival event requires approximately six days to install signing and traffic control, amusement and entertainment structures and equipment, food and other vendors, and other attractions, and also requires approximately ten (10) hours for removing same, and litter;

NOW THEREFORE BE IT ORDAINED, by the City Council of Elizabeth City pursuant to the authority granted by G.S. 20-169 that they do hereby declare a temporary road closure during the day(s) and times set forth below on the following described portion of a **State Highway System route**:

Date(s) and Times: 10:00 a.m. Tuesday, May 16, 2023 until 3:00 a.m. Tuesday, May 23, 2023.

Route Description(s): S Water/Southern Avenue Street (SR 34/1164) between E Ehringhaus Street (US Business Highway 17) and Shepard Street; E Ehringhaus Street, eastbound lanes from S McMorrine Street to S Water Street (SR 34/1164)

Date(s) and Times: 10:00 a.m. Thursday, May 18, 2023 until 3:00 a.m. Tuesday,,May 23, 2023.

Route Description(s): E Ehringhaus Street (US Business Highway 17), all lanes from McMorrine Street to S Water Street; S Water Street (SR 34/1164) from E Ehringhaus Street (US Business Highway 17) to E Church Street

Date(s) and Times: 10:00 a.m. Friday, May 19, 2023 until 3:00 a.m. Sunday, May 21, 2023

Route Description(s): North and South Water Street (SR 34/1164) from E Church Street to E Colonial Avenue; Water Street southbound lane from Elizabeth Street to Colonial Avenue.

This ordinance to become effective when signs are erected giving notice of the limits and times of the event, and implementation of adequate traffic control to guide through vehicles around the event parameters.

SECTION I. EFFECTIVE DATE: This Ordinance, as revised herein shall take effect immediately upon adoption.

SECTION II. SEVERABILITY CLAUSE. If any section, or part of provision of this Ordinance is declared unconstitutional or invalid by a court of competent jurisdiction, then it is expressly provided and it is the intention of the City Council of the City of Elizabeth City in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

READ, CONSIDERED, AND ADOPTED at a regular meeting of the City Council of the City of Elizabeth City, North Carolina, during which a quorum was present, held on the 13th day of March, 2023.

E. Kirk Rivers
Mayor

Attest:

April D. Onley, NCCMC
City Clerk

b. Consideration – Call for Public Hearing – Amendment to Electric Fee Schedule;

Mayor Rivers requested the Council's pleasure on the Consent Agenda.

Motion was made by Councilman Joseph Peel, seconded by Mayor Pro Tem Kem Spence to approve the consent agenda. Those voting in favor of the motion were: Biggs, Peel, Gibbs, Spence, Whitehurst, Felton and Baxter. Against: None. Motion carried.

5. Regular Agenda:

a. Any Items Pulled from the Consent Agenda;

There were no items pulled from the Consent Agenda.

b. Discussion / Consideration – Water / Sewer Rate Increase;

Manager Freeman stated that he was open to hear the pleasure of the Council on the water and sewer rates. Mayor Rivers advised that they'd been supplied with some backup documentation via email this afternoon, as well as on the dais that showed the various potential rates for residential and commercial accounts. Councilman Whitehurst asked what the recommendation from the study we have now was? Manager Freeman replied that it was 4.06% for water and 2.35% for sewer across the board. Mayor Rivers asked if we'd heard back from the organization that could do the study. Manager Freeman explained that Rural Water would do it for free, but they don't go as "deep" as Raftelis and they couldn't get to us before October or November. Mayor Rivers asked about the cost for the Raftelis update. Manager Freeman replied that he expected it be to \$25,000. He said he'd identified where the funds could possibly come from, but it would make it tight in those line items. Councilman Biggs said he knew the water study was intact through 2029, but that study would have no way to take into account the inflation we've experienced across the board, nor would the suggested increases. "If we're discussing raising rates and facing the inflation that everyone is facing, we can look at our budget and tell that we're spending more than we expected. In my opinion, we don't have a choice but to increase higher than what the study suggested because it's out of date and things went up significantly. The money would exist to pay Raftelis to do an update to the study, but we'd see the income off the new rate increases before we got stuck with paying for a new study. I don't know how we made a lot of decisions without doing a new study. I like that there's a different residential rate than commercial." Councilman Biggs noted that he would be agreeable to moving in the 5-8% range for an increase, but there's no reason to waste the money doing a study if we won't follow it.

Councilman Peel said he'd suggest 3% for the sewer increase at the least. He noted that if we update the Raftelis study, we'll then know what we need to do from there, but at least we'll know where we stand.

Councilman Gibbs said he knew that anytime we talked about an increase, we would have pushback from the public, so they needed to know the information that the Council knew so it was explained well. He said whatever the increase would be, they needed to know how much their bill was going up. He wanted to get the word out as best as they could because they would be upset about things being too high.

Mayor Rivers said he thought that was a good idea and asked if the Finance Department could have something like that distributed as percentage equates to what amount of actual money. Councilwoman Felton said she agreed because she did cringe when we started talking about increases. Mayor Rivers said he would discuss it during one of his upcoming talks as well. He said he felt that paying \$25,000 for a study might be excessive, but he'd go along with whatever

the Council decided. A few years back, they paid for the study and then decided not to go with the proper implementation. He said if they did the study, they had to agree to go along with the findings there. That was his plea to the Council before we put \$25,000 into a study. If they come back and say raise it 15%, we need to be ready to do that.

Councilman Peel said it was important for people to understand that the water and sewer don't just show up and appear magically and there's a lot of infrastructure involved. We will never be able to charge enough money to pay for the necessary upkeep, maintenance and expansion. The people in Raleigh will not continue to give us good money if we don't show that we'll be willing to charge enough to keep things going on our end. While we're not always excited about studies, it tells us what experts think and know based on what we have and where we need to be. He agreed that if we do the study, we need to implement it. He said he didn't think we have any choice except to raise rates here if we don't show we're doing our part. The study and rate increases show we're doing what's necessary to hold up our end.

Councilwoman Baxter asked what the deadline for the study was. Manager Freeman said it was up to the Council. He explained that it was just discussed before and we didn't have a cost. Rural Water would do one for free, just not as in depth as Raftelis and they could not get to us until, at the earliest, October. They do actually offer one as deep as this, but it costs and it would be late in the year.

Mayor Pro Tem Spence said it's a proven fact that we're going to have to raise these rates. Even with the \$25,000 for the study, if we raise the water and sewer enough now, we can do the free study at the end of the year. If we raise water to 7.5% and 4% for sewer for residential and 8% water for commercial and 6% sewer for commercial, that should bring us some revenue in. Then in October, we could have Rural Water do a study for free. It doesn't have to be as in depth because we know where we are basically.

Councilwoman Whitehurst noted that this is our income, this is what we run the City off of. She'd made a request to the manager to have the Council sent an arrears report. She said she knew a piece of this was the audit and balancing the budget, so that was still in the dark, but we need to do our due diligence to show that we're managing the City properly. She hoped the manager would get that report out this week. Manager Freeman said he'd sent it to Councilwoman Whitehurst already, but he wasn't sure if she wanted it to go to everyone. She said she did and asked him to send it.

Councilman Peel asked about the difference between the paid and free studies. What would we be missing out on? Manager Freeman said he'd have to find out the differences from Rural Water.

Councilman Biggs asked if we knew the cost of the enhanced study from Rural Water. Manager Freeman said he did not, but he could find out.

Councilman Biggs asked if there was a difference to the bill on a resident if we charge the 7% but increase the base rate. Is there a significant difference? Are we increasing both? Director Steward said we were increasing both here.

Councilman Peel said he'd like to suggest 7.5% water and 4% sewer increases for residential and 8% and 6% for commercial.

Mayor Rivers reiterated that the base rates for these services would be increasing. Councilman Gibbs asked if it was safe to say that most of our customers are in the 1,000-gallon range? Manager Freeman said yes. Councilman Gibbs noted that that's what the public needed to know then, exactly what that cost would equal. Councilman Whitehurst agreed that they may not pay attention to gallons as much as X amount per how many dollars.

Motion was made to by Councilman Joseph Peel to call for a public hearing on March 27, 2023 to call for a public hearing to consider and increase to residential and commercial water and sewer rates. The motion was seconded by Mayor Pro Tem Kem Spence. Those voting in favor of the motion were: Biggs, Peel, Gibbs, Whitehurst, Spence, Felton and Baxter. Against: None. Motion carried.

Mayor Rivers asked how the Council felt about the consideration of the study. Do they want to postpone until budget season? Councilman Peel said during the next meeting, he'd like the manager to tell the Council the difference between the free study offered by Rural Water and the Raftelis study, as well as what the cost of the study would be for the in-depth Rural Water study.

Councilman Biggs said he'd like to move forward but he can't disagree with finding out the price difference. He'd also like to know the timeline and turnaround between the free and advanced, and Raftelis studies as well. He noted that while this is a step in the right direction, there may be increases proposed in July to keep us current as well. As long as the consideration for the study and more info on them is coming up, he said he was okay with the motion tonight. Mayor Rivers confirmed the consensus was that the additional information should be brought forward for the next meeting.

Councilman Biggs requested that Finance send them the increase in dollars and cents that they've requested to call for a public hearing on so that they can tell constituents how much revenue those things will generate. Manager Freeman said he'd have those by tomorrow.

(Return to Earlier Item – Living Our Best Life Social Club Recognition)

Mayor Rivers advised that before they moved onto item C on the regular session, he'd like to go back and recognize Living Our Best Life Social Club as they had just arrived. He said it was great that we had citizens providing for different organizations and he'd recently become aware of this one. They did fundraisers and gave to organizations, which was great so he wanted to recognize the things they'd done for our citizens. Angela Bowser, event coordinator gave a brief overview of their organization, which had just been through their first year. Their focus was on the elderly, although they also did events for children as well. The next event will be April 15th and tickets are available if anyone is interested.

c. Consideration – TDA Application Request for Signage (College Park);

Manager Freeman said that the Council had voted to change the name of Dog Corner Park to College Park and there had been a lot of excitement about that from the college organizations. The TDA application tonight allowed us to request funding to purchase the signage for this, which will coincide with the wayfinding project. There will also be three informational signs for each of the three colleges.

Motion was made by Mayor Pro Tem Kem Spence, seconded by Councilman Jarvis Gibbs to approve the TDA application for signage. Those voting in favor of the motion were: Biggs, Peel, Gibbs, Whitehurst, Spence, Felton and Baxter. Against: None. Motion carried.

d. Discussion – Rental Inspections / Minimum Housing;

Manager Freeman advised that what the Council had in front of them was the minimum housing code for Elizabeth City. Our current code does not speak to mold specifically, but an argument could be made for it under the habitability portion of the code. The process says that it goes to an inspector, the party can have a hearing, etc. He said he could do whatever additional research the Council required.

Mayor Rivers said during the last meeting, the Council voted to ask Representative Ward for special legislation and we have now been informed that special legislation will not be able to be presented in the upcoming session. The bill writers for the House indicated that it would not move forward. He did say that since we have the minimum housing code, we can do something with that. Mayor Pro Tem Spence explained that Representative Ward told us that there could not be a local bill, only a statewide bill, which would not pass. We already have policies in place, so we have to try to enforce what we already have and start there.

Councilman Peel asked what exactly do we have in place now? Mayor Pro Tem Spence said we have the minimum housing code. Mayor Rivers stated that we have certain things like if we

have complaints, the Inspection Department will go out to assess. Councilman Peel said that under violations, we have the ability to serve someone with a misdemeanor.

Manager Freeman said we have the authority, but we have to go through the process, so there's a lot that has to happen. Councilman Peel asked that given all the information we've seen over the last few months, are any of these people in "process?" If not, why? He opined that there are people living in places he wouldn't put an animal. What do we need to do to start the process?

Councilwoman Baxter said starting at Rivers Landing, we had a meeting back in August and they were given 90 days to move forward. The City was basically enforcing the situation, but somewhere down the line when the management company was informed we were on the property, they got a lawyer who said we weren't within our legal right to be there, but we were. When they gave them the 90 days, there was no compliance. There was a letter that said if they didn't comply, it could go to the court.

Councilman Peel pointed out that we have an attorney who does this for a living. Did anyone call him? Mayor Rivers said that he was involved. He said you can pull the electricity, but if you cut service for 100 units, where do you put 100 families? We wanted to get to the owners. The property manager was putting up a wall and at the end of the day, he did not feel comfortable cutting power to 100 families and neither did anyone else. We have to make sure we work together.

Councilman Gibbs said that at one point, we discussed the best way of getting someone's attention would be getting into their pockets. We talked about as opposed to tenants paying their rent, they could pay into escrow or something like that. He didn't know if that was explored or a possibility. He agreed that you don't displace 100 families, but you get management and ownership's attention when money is not coming in. He didn't know if the City could do that as far as getting these people some help. We do want to protect the tenants that they are still paying their rent on time, but it's going into a trust that's held.

Manager Freeman suggested that may have been discussed before he got back here. He said he knew there's complexity because government pays some subsidies. To Councilman Peel's point, we need an attorney to do that piece of it.

Councilman Biggs said that he looked through this a little bit, but after we found out things couldn't pass through as a local bill and Representative Ward spoke to us on Friday, he mentioned 160D-1201. 160D-1207 allows us inspect properties and has some perimeters on what we can and can't do. It dictates exactly what our authorities are and aren't. It goes through addressing complaints, remedies, the powers of the public officer, as well as the administrative of an ordinance. From what it looks like there, we should have enough legal authority there, we just need someone to go through and look at it. Greensboro is asking the state as part of their goals to enhance their rental authority as well, so maybe we ask the League as well. These issues are happening all over the state. He didn't want us to get caught up just in the fact of multi-family because it's single family too and all over the city and in all four wards. He requested that the city attorney be prepared at the next meeting to provide an in-depth discussion on 160D and how that applies to Elizabeth City.

Mayor Pro Tem Spence said he agreed with Councilman Biggs as far as getting the attorney on it. However, with Rivers Landing and Walkers Landing, he felt like we had enough paperwork on them to move forward. He said he went out there and the manager shut the door in his face and called the police on them and left without talking to them. He reiterated that he felt like we have enough evidence, pictures, just proof in general to go forward. "Reading our minimum housing ordinance and 160D, I think we should have the attorney draw up the paperwork and force these two entities to move forward. There are kids getting sick here. The complexes are getting money from the government as well as citizens, so they have the money to fix this, they just don't want to. It's because it's lower income people living there and they don't care. It's our job as a city to have our attorney draw something up to move forward on this."

Councilwoman Baxter said she did not believe that the state of NC would let the money be withheld, but maybe the escrow would work, but she wasn't sure about EIC. They would not renew your lease, she did know that for sure. There is nowhere else for anyone to go right now as far as housing. This is just the tip of the iceberg. The City got involved back in June, but this has been going on for years. There's more than 300 children out there and these children have asthma and everything because of the mold that they're inhaling. It's a big deal. She stated that her own daughter has asthma now. It's happening all over the city, not just in apartment complexes, but those are the main places with the children and the elderly and that's her main concern. They don't have proper maintenance either. It's basically negligence.

Councilman Peel said we haven't been doing what we could do as a city and allowed it to get out of control. He stated that if they wanted him to vote for the budget, it needs to contain a plan to fix this problem once and for all. If we have to hire a few more inspectors, he supported that idea. If you look at the test scores of the kids who live in these places, it's deplorable. It's like dooming them. It's not fair, it's not right and it's a city-wide disaster that must be addressed and we should do it in the next budget. He noted that he hadn't seen the law yet, but we'll get some information on it and work with the attorney and get some steps and procedures in place.

Mayor Rivers said we might need to put funds aside because there's a lot of seniors living in houses with mold. Homeowners too. We can push out a lot of laws, but then it's the mom and pops that have to fix up the rental houses. The cost of everything has skyrocketed. Our city is more than 60% rentals. We have a lot of avenues that we'll need to maintain. We'll have to put funds out there. Maybe look back into the CDBG to see if we can write grants to help fix houses. We used to do it through the weatherization program. We'd enter agreements to put money into houses and the landlord would sign an agreement that they wouldn't raise the rent for so many years. You don't know what's growing until you see the black mold growing through the paint and there's a lot of remediation that needs to happen and bleach and water does not kill the mold. We can do some classes for landlords. We have some avenues to look into. Once landlords fix it up, rental rates will continue to go up. It's a catch 22. We have to work with everybody. Rivers Landing can afford it, but he urged the Council to remember that whatever law we put in for them, goes for everyone.

Councilman Peel mentioned that during the last meeting, he gave info about money that's available. Did we advertise it? Manager Freeman said he thought we did, but he'd check with Jon Hawley. Councilman Peel pointed out that there's money out there right now. Mayor Rivers said he'd like to make sure it went on Channel 11 as well.

Councilwoman Baxter said she appreciated everyone coming together to get this done for the City. She thanked Representative Ward and Mr. Steinburg as well for their help.

e. Discussion – Food Bank *(As Added During Agenda Adjustments);*

Councilman Peel stated that he'd put this item on the agenda because they'd received an email from Liz about needing a decision by March 15th. He said she'd indicated that she'd sent another email at the end of February. If we don't address her concerns tonight, she will not be able to do what she'd like to do, which is allow the Food Bank to be the lead agency at the Hugh Cale Center and move forward with the Community Hub.

Liz said that nothing had changed since their January 23, 2023 presentation beyond the fact that the HVAC system had been vandalized. Mayor Rivers said that the Council had been holding off signing leases because the City was trying to assess how much the cost to the City for maintaining the Hugh Cale Center yearly was. He said they wanted to charge something minimal to cover the maintenance costs. He asked the manager if he knew where were on the HVAC unit. Manager Freeman advised that the total cost for the Hugh Cale Center was estimated at \$21,000 per year.

Councilwoman Felton said she remembered when Shirley Simpson and her team worked to get a grant for the Hugh Cale community, which was supposed to go for community activities in the building. She said because it was a community building, she was fine with the Food Bank being in the building, but not being the lead agency. She felt all community activities should be allowed to take place and policies should be developed to charge rental fees. It would be more beneficial if the City maintained their own building.

Liz said the Food Bank was not looking to be the maintenance company, nor had they been. They were only in charge of the interior, pest control, cleaning bathrooms and paying for the fire alarm system and internet system, as well as insurance for them to occupy. They are not responsible for exterior maintenance, plumbing, electrical or anything of that nature. They keep the calendar and allow community members to use it as requested. They use the building in partnership with River City CDC and Legal Aid at the current time, both of whom would still be partners in utilizing the space.

Mayor Rivers asked again where are we with the HVAC. He had received a call asking from Legal Aid. Director Clark said the HVAC system repairs have begun. They started on the interior last week and have been working with Parks and Rec to complete the process.

Mayor Rivers stated that he was glad we have some more solid numbers on what the building is costing us. If we're not using the building, we should at least be recouping the cost. He asked Liz if her request was for the large room? Liz said it concerned the training room and some of the smaller spaces. Mayor Rivers asked if the food area would be 365 a year. Would the meeting space be taken offline? Liz replied that the small board room will still be available for community meetings, which can hold at 30 or 35 people. Mayor Rivers said he'd received calls about the larger room, which was the training room. Liz said there are a few groups that want to put their time on the calendar and they would fit in the smaller room, but it is usually first come, first served, which is how they've managed the calendar.

Mayor Pro Tem Spence said he was in agreement that the Food Bank should have whatever they needed for five years, 10 years, whatever. He said he did feel that for accountability purposes, Parks and Rec should be in charge of the building just based on the audit and things we were going through. He said he'd like the Food Bank to have whatever they needed, just wanted Parks and Rec to be in charge of everything else, such as renting things out and what not, especially if we were starting to move forward with collecting revenue. If we're collecting a small fee, he'd like it be Parks and Rec that does that because that fell to the City. As far as what the Food Bank needed, he was fine with whatever contract they wanted because they are vital to our City. Liz said she would support that idea.

Mayor Rivers asked what the square footage of the building was? Liz said she believed it was about 5,000. Mayor Rivers noted that most leases would take the amount of square footage, divide that by the overall cost. We'd have to divide it by everybody, all the nonprofits. Then we submit that to the entities that are in there and if some don't want to move forward with it, we can offer it to others. Or would Council like to raise it past the maintenance cost?

Councilman Biggs asked what the \$21,036.95 cost entailed? Manager Freeman said it covers upkeep, staff, contracted services. Councilman Biggs asked if we're responsible for anything from the studs of the building to the exterior? Manager Freeman said that was correct. Councilman Biggs said he was assuming we take care of big capital buildings, roof, HVAC, etc. The \$21,000 is the operating cost for the building and not the cost for the inside, so if we do that, all the things the Food Bank has been paying for will come over to us and we need to figure out what that is for the rentable space. We may need to go up from the \$21,000 to cover the actual operating expense. It is a community service, but we can't go backwards to give it away. He mentioned the manager said there were some capital improvements that needed to be done, but he didn't know if they ever heard what those were. He said they may want to set the expenses so they have some reserve. He noted that he was in favor of it.

Mayor Rivers said some of the maintenance was on the HVAC system, so when all the units were stolen, we had to move on that immediately. He asked if the Council is looking at \$30,000

and then we look at the actual rented space and divide that into the number and that will come out pretty much where we want it, excluding the common areas. It will be a lease like something you'd have at a mall. At that point, we won't have a meeting room, just the small board room open to the public. Liz said she could give the City info on who utilized the room. Mayor Rivers asked if anything was reserved now because once it transfers over, they won't be able to rent it out. Liz said the challenge she believed we'd have is that the Food Bank wanted to retain the facility at a minimal cost. She'd have to go back to her board and let them know what was decided. They were hoping to continue with the in-kind contributions or shared cost of utility bills.

Councilman Peel believed that when Ms. Simpson got the grant, there was at least a period of time where the City could not charge. Originally, we were not allowed to charge as part of the stipulation. Mayor Rivers noted that was some of the first CDBG money we received. The building was set up as a business incubator. It was designed to be used for the community of Hugh Cale. That's why the building is divided up the way that it is. The conference room was for community meetings. The front part of the building was set up for housing. Now the City has been eating the cost for however long, but that was never the intent. It was not supposed to be on our tax card, it was supposed to be self-sustaining.

Mayor Pro Tem Spence suggested that they needed to table this until we get all the information because there's too much we don't know and he didn't feel comfortable voting on something he was unsure about.

Motion was made by Mayor Pro Tem Kem Spence to table the Food Bank discussion.

Liz said she'd asked Jon Hawley to do research and he'd spoken to the Department of Commerce and they gave us the authority to charge market rate value for the space.

Councilman Biggs asked where the Food Bank was now. Liz said they'd secured another building with funding, but that funding was expiring and that's why they were hoping to move back and put in the community hub.

Councilman Biggs asked if United Way was going to be occupying that space as well. Liz explained that the United Way was going to have the CCC intake individual come out and provide services as well to have all the services under one umbrella so people don't have to go all over town trying to get help. Councilman Biggs noted that he'd served on the United Way board years ago and they moved to the Edgewood shopping center. They worked out an arrangement with the County that they would charge X amount in rent, but in turn they'd rebate that money back as a donation. Commissioners were able to assign a dollar amount to what they were doing, even though they turned around and gave it back.

Mayor Pro Tem Spence noted that what the County did with one, they'd be doing with four, so they'd have to rebate four. He reiterated that he would just like to table until we have more information.

Councilwoman Rose Whitehurst seconded the motion to table. Those voting in favor of the motion were: Biggs, Peel, Gibbs, Whitehurst, Spence, Felton and Baxter. Against: None. Motion carried.

f. Update – Manager's Report;

Manager Freeman thanked the Coast Guard and Team Elizabeth City for making sure the marathon ran smoothly. He thanked Councilman Gibbs for the invitation to join him at the elementary school. He thanked the IT Team. He congratulated Mid-Atlantic Christian University for being the Transacting to Transform entity of the month. He said that this team of employees and directors are relentless in getting everything needed for the audit. We're working on responses now, which have been completed and now we're in the editing process.

6. Adjournment:

Having no further business to be discussed, Mayor Rivers adjourned the meeting at 9:23 p.m.

E. Kirk Rivers
Mayor

April Onley, NCCMC
City Clerk

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